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2 October 1961

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# CENTRAL INTELLIGENCE BULLETIN



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2 October 1961

CENTRAL INTELLIGENCE BULLETIN

CONTENTS

25X1

1. Syria: Nasir may be stepping up efforts against new Damascus government. (Page *i*)



3. Communist China: The 1 October National Day celebrations. (Page *ii*)
4. Austria: Note to USSR will reiterate Vienna's intent to participate in European economic integration. (Page *iii*)
5. Spain: Franco hints at changes in the US bases agreement. (Page *iii*)

25X1



## CENTRAL INTELLIGENCE BULLETIN

2 October 1961

25X1

## DAILY BRIEF



Syria: There are indications that Nasir is stepping up his efforts to instigate an uprising against the new Syrian Government as the result of the Damascus announcement on 30 September that all Egyptian military and civilian officials are to be expelled. This would, of course, remove a group which could play a key role should pro-Nasir Syrians attempt to move against the new government.

Nasir apparently remains hopeful that the revolutionary command may lose control in one of the northern Syrian cities, such as the port of Latakia or Aleppo, where the Syrian military has suppressed small-scale demonstrations by pro-Nasir students and workers.

25X1

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small numbers of tanks, trucks, armored personnel carriers, and antiaircraft guns were being loaded on four Egyptian freighters at Alexandria on 30 September suggest that Nasir intends to be prepared to take advantage of such a contingency. Latakia is 30 to 36 hours sailing time from Alexandria.

The Syrian revolutionary command, while proclaiming that its control of the country is firm, noted in a communiqué issued the morning of 1 October that "subversive elements"-- which it claims are of non-Syrian nationality--are "penetrating demonstrations of jubilation with the purpose of changing the character of these demonstrations." Radio Cairo, broadcasting a highly colored version of these "gigantic demonstrations," has called on Syrians to rise in rebellion.

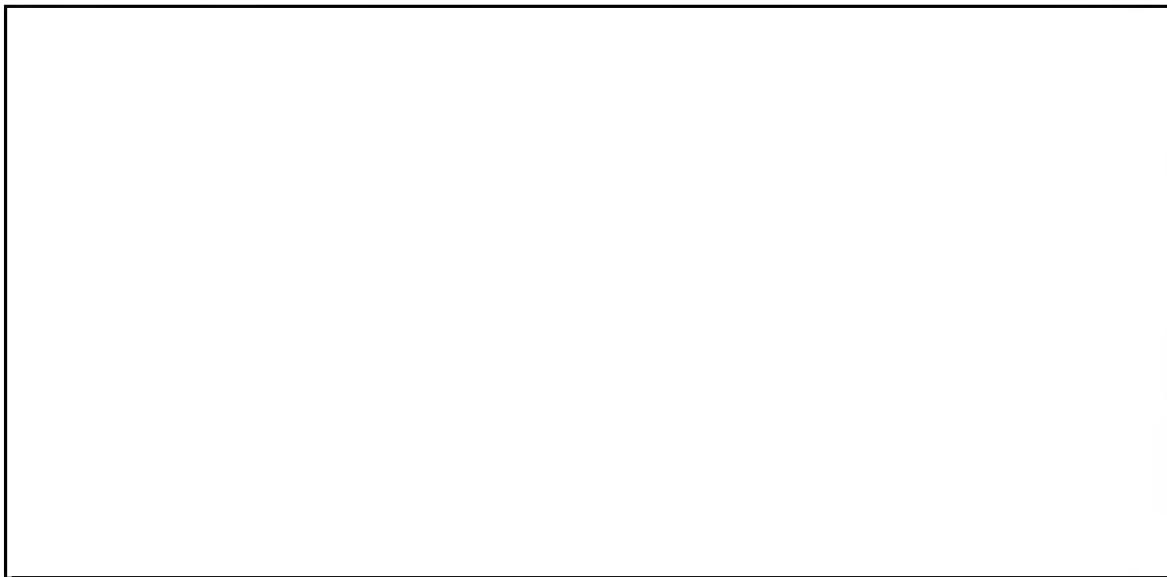
Nasir has broken diplomatic relations with Jordan and Turkey, the first two countries to recognize the new Syrian government. Damascus yesterday announced Syria's formal withdrawal from the UAR. The Cairo press is alleging British connivance in the Syrian coup.

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Communist China: Communist China's entire top leadership appeared at the gala 12th National Day celebrations in Peiping on 1 October, possibly in an effort to quash rumors that agricultural and economic problems have led to purges. No major bloc delegations attended the ceremonies; Albania's was the highest ranking. It is probable, however, that Communist China plans to place principal emphasis this year on "Double Ten" festivities, as 10 October will be the 50th anniversary of the revolution that put Sun Yat-sen in power; more important bloc delegations may be sent on that occasion.

25X1

In line with Peiping's increased efforts to gain UN membership, Chou En-lai, speaking at a state banquet on the eve of National Day, contrasted Communist China's "wish to live together with peoples of all other countries" with the US "policy of hostility" which has prevented Peiping from assuming its "rightful" place in the UN.

Moscow gave only perfunctory attention to Peiping's anniversary. In a speech at the Chinese Communist National Day reception in Moscow on 29 September, Kozlov reiterated standard expressions of Soviet support for Peiping's "lawful place"

2 Oct 61

DAILY BRIEF

ii

25X1



in the United Nations and for the liberation of Taiwan. He avoided anything that could be construed as Soviet tolerance of Chinese ideological claims. The congratulatory message sent by Khrushchev and Brezhnev to the Chinese leaders appeared to place China on the same level with other bloc members by stating that the Soviet people prize friendship with the Chinese people "and with the peoples of other socialist countries" as a sign of the "unbreakable unity and might" of the socialist camp.

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Common Market - Austria - USSR: Austria's problem as a neutral in establishing the ties with the Common Market (EEC) which it feels are economically imperative is reflected in an Austrian note scheduled for delivery to Moscow by 2 October. The note, a response to a recent Soviet demand that Vienna declare its intentions respecting the EEC, states that Austria "cannot remain a nonparticipant in certain economic developments in Europe" but will undertake only such obligations as are "compatible with its foreign political status."

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Moscow has taken a generally hostile attitude toward the Common Market ever since it was founded and, in an effort to dissuade the European neutral nations from establishing ties with it, has maintained that the EEC is linked with NATO. It has been particularly emphatic in its warnings to Austria.

(Backup, Page 3)

25X1

\*Spain: In a speech to military officers during the 1 October celebration of his twenty-fifth anniversary as chief of state, General Franco stated that "circumstances counsel revision" of the ten-year US-Spanish defense and bases agreement which runs until September 1963. The treaty provides for an automatic five-year extension unless one signatory requests revision, but there have been several indications in the past few years that Spain intended to press for greater concessions on military and economic aid. The US agreement to quit the bases in Morocco by the end of 1963 leads Franco to

OK

2 Oct 61

DAILY BRIEF

iii

25X1

25X1

[feel that he is in a much better position to extract new concessions from the US when the Spanish bases agreement is renegotiated. In view of his statement in the 1 October speech that Portugal was being attacked unjustly abroad because of its African policy, it is possible he has in mind pressing the US for some expression of support in Africa.]

25X1

[ ] (Backup, Page 5) [ ]

25X1

2 Oct 61

DAILY BRIEF

iv

[ ] 25X1

Next 1 Page(s) In Document Exempt

25X1

## Problems of European Neutrals in Establishing Ties With Common Market

[Of the five non-NATO Western European countries, only Ireland has asked for outright Common Market membership since it became clear earlier this year that Britain would do so. As members of the Outer Seven (EFTA), however, Austria, Switzerland, and Sweden participated in the joint statement of 31 July declaring an intention to examine with the EEC "ways and means" by which all the Outer Seven could take part in a "single market." Moreover, on the same date, Vienna issued an official communiqué expressing readiness to open negotiations looking toward participation in such a market under conditions taking into "special consideration" Austria's trade and foreign policy. Finland, an EFTA associate, has declared merely that it will "watch" the outcome of the negotiations between the EEC and the full members of the Outer Seven.]

25X1

[The problems of the various neutrals in defending their major economic interests in the EEC are not identical. Austria's obligations as a neutral are legally restricted to the military sphere, but it feels itself additionally bound by the injunction in the Austrian State Treaty against union with Germany. Neutrality is so thoroughly established in Sweden and Switzerland that government leaders are largely agreed that full membership in an organization involving some derogation of sovereignty or loss of full control over trade policy is probably politically impossible. Swiss officials have claimed that relinquishment of jurisdiction to a supranational organization would be incompatible with the Swiss system of government, with its widespread use of popular initiative and referendum. Socialist elements in all these countries have charged the EEC is geared to the pursuit of conservative economic policies.]

[With the exception of Finland, Austria has appeared the most concerned over the possibilities of actual Soviet retaliation. Soviet officials have on several occasions and with varying degrees of severity warned Vienna against ties with the EEC. In its aide-memoire of 31 July, to which Austria is now responding, Moscow reiterated previous charges that the Common Market]

25X1

is an economic and political organization of NATO, in which West Germany plays a leading role. The aide-memoire also claimed that the Austrian Government has itself considered participation in the EEC incompatible with neutrality and the State Treaty--an evident reference to statements along this line previously made by Austrian Foreign Minister Kreisky

[In an effort to develop a common front against such pressures--as well as a common position toward the EEC--Swiss, Austrian, and Swedish officials recently met in Vienna, and other such meetings are expected in the next few months. Austria is clearly hoping that in negotiations with the EEC, it can follow the lead of the Swiss, whose bargaining position is comparatively strong, and Sweden may also eventually welcome such leadership. Stockholm has long felt itself obliged to take into consideration the more vulnerable position of Finland in problems of neutrality.]

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Franco hints at changes in the US bases agreement

Under the 1953 defense agreement Spain granted the US permission to construct and use air bases located near Madrid, Zaragoza, and Seville and a naval base at Rota in exchange for very substantial amounts of military and economic aid. In recent years the Spanish military have been pressing for modern military equipment, particularly planes.

Spanish officials have expressed anxiety on several occasions over the security situation in Morocco as the US phase-out in Morocco progresses. Madrid is particularly concerned over the eventual renewal of Moroccan aggression against Ifni and the Spanish Sahara and over demands by Rabat for the surrender of the enclaves of Ceuta and Melilla. Spanish officials have shown displeasure over the US position on Africa and in this connection have strongly supported Portugal. On 8 August 1961, a high official in the Spanish foreign ministry vigorously defended Portuguese policy in Angola in a talk with the US navy secretary Connally. While the official stressed that he was speaking on a personal basis, he argued that the US defense agreement should logically lead to US support for Spain's position in Africa.

In addition to a possible demand for bolstering Spain's military position in Africa, Franco may also, in the course of negotiations for a renewal of the bases agreement, ask the US to accelerate Spain's entry into NATO by putting pressure on those members of NATO still reluctant to accept Spain as a member.

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